

INTRODUCTORY NOTE

Overview

As previously announced, Power & Digital Infrastructure Acquisition Corp., a Delaware corporation ("**XPDI**"), entered into a certain Agreement and Plan of Reorganization and Merger, dated as of July 20, 2021, as amended on October 1, 2021, and as further amended on December 29, 2021, by and among Core Scientific Holding Co., a Delaware corporation ("**Core Scientific**"), XPDI Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of XPDI ("**Merger Sub**"), and XPDI (the "**Merger Agreement**"). XPDI's stockholders approved the transactions contemplated by the Merger Agreement (collectively, the "**Business Combination**") at a special meeting of stockholders held on January 19, 2022 (the "**Special Meeting**").

Pursuant to the terms of (a) the Merger Agreement and (b) that certain Agreement and Plan of Merger, dated as of October 1, 2021, as amended on January 14, 2022, by and among XPDI, Core Scientific, XPDI Merger Sub 3, LLC, a Delaware limited liability company and wholly owned subsidiary of XPDI ("**Merger Sub 3**"), and Blockcap, Inc., a Nevada corporation and wholly owned subsidiary of Core Scientific ("**Blockcap**"), the Business Combination was effected by (i) the merger of Merger Sub with and into Core Scientific (the "**First Merger**"), which occurred on January 19, 2022 (the "**Closing Date**"), with Core Scientific surviving the First Merger as a wholly owned subsidiary of XPDI, (ii) the merger of Core Scientific with and into XPDI (the "**Second Merger**"), which occurred on January 20, 2022, with XPDI surviving the Second Merger, and (iii) following the closing of the Second Merger on January 20, 2022, the merger of Blockcap with and into Merger Sub 3 (the "**Third Merger**"), with Merger Sub 3 surviving the Third Merger as a wholly owned subsidiary of XPDI under the name "Core Scientific Acquired Mining LLC." Immediately prior to the effective time of the First Merger (such effective time of the First Merger, the "**Effective Time**"), XPDI filed a Second Amended and Restated Certificate of Incorporation (the "**Post-Combination Charter**") with the Secretary of State of the State of Delaware pursuant to which XPDI changed its name from "Power & Digital Infrastructure Acquisition Corp." to "Core Scientific, Inc." (hereinafter referred to as the "**Company**" or "**New Core**") and redesignated its Class A common stock, par value \$0.0001 per share ("**XPDI Class A Common Stock**"), and Class B common stock, par value \$0.0001 per share ("**XPDI Class B Common Stock**"), as common stock, par value \$0.0001, of the Company ("**New Core Common Stock**").

In connection with the Special Meeting and the Business Combination, holders of 12,347,077 of the 34,500,000 then-outstanding shares of Class A common stock of XPDI exercised their right to redeem their shares for cash at a redemption price of approximately \$10.00 per share, for an aggregate redemption amount of \$123,483,147.34.

Conversion and Exchange of Equity in the Business Combination

Immediately prior to the Effective Time, each share of Series A convertible preferred stock, par value \$0.00001, of Core Scientific automatically converted into one share of Core Scientific common stock, par value \$0.00001 per share ("**Core Scientific Common Stock**"), and each share of Series B convertible preferred stock, par value \$0.00001, of Core Scientific automatically converted into one share of Core Scientific Common Stock.

In addition, immediately prior to the Effective Time, each share of XPDI Class B Common Stock automatically converted into one share of New Core Common Stock.

Pursuant to the Merger Agreement, at the Effective Time:

- (a) each outstanding share of Core Scientific Common Stock (including Core Scientific Common Stock issued as a result of the conversion of Core Scientific preferred stock in connection with the Business Combination and any shares of Core Scientific Common Stock that would have been issued as a result of any deemed exercise of an option to purchase Core Scientific Common Stock held by a former employee or service provider of Core Scientific, but excluding any shares held in treasury and any dissenting shares) was cancelled and extinguished and converted into the right to receive a number of shares of New Core Common Stock equal to the Exchange Ratio (as defined in the Merger Agreement);
- (b) each share of Core Scientific Common Stock held in treasury immediately prior to the Effective Time was cancelled and extinguished without the payment of consideration;